



BI-ANNUAL AUDIT & RISK COMMITTEE REPORT



Role of the Audit and Risk Committee

Section 53(1) of the Local Government Act 2020 (the Act) states that “a Council must establish an Audit and Risk Committee”.

The role of the Audit and Risk Committee (Committee) is to provide structured, systematic oversight of Golden Plains Shire Council's (Council) governance, risk management and internal control practices. The Committee assists Council and its management by providing advice and guidance on the adequacy of initiatives for:

- values and ethics;
- governance structure;
- risk management;
- internal control framework;
- internal and external audit activity; and
- financial statements, performance, and public accountability reporting.

Independence

An independent Committee is a fundamental component of a strong corporate governance culture. The Committee is appropriately independent of management and is not involved in any operational decisions. Committee members do not have any executive powers, management functions or delegated financial responsibilities.

Composition of the Committee

Committee membership is comprised of five members appointed by Council, with two members being Councillors (one of which must be the Mayor) and three members being independent of Council. All members have full voting rights.

The Act has specific requirements about the Committee collectively having expertise in financial management and risk, experience in public sector management, and precluding any person who is a member of Council staff from being a Committee member.

Committee membership has remained stable during the reporting period, which has enhanced the ability of the Committee to provide a value adding experience to Council. Members have been fully engaged in all meetings held during the reporting period and have made valuable contributions to the work of the Committee.

Committee Charter

The Charter sets out the authority of the Committee to carry out the responsibilities established for it by Council. The Charter is set by Council and was last reviewed and approved by Council on 26th November 2024. The Charter is reviewed annually by the Committee.

Reporting Period of this Report

This report covers the Committee's work for the meetings held on 13 August 2024 and 18 October 2024.

Meeting Attendance

Details of Committee membership and meeting attendance for the reporting period are summarised in the table below:

Name	Role	Meetings	
		13 August 2024	8 October 2024
Joseph Adamski	Independent Member (Chair)	Attended	Attended
Phil Delahunty	Independent Member	Attended	Attended
Ingrid Bishop	Independent Member	Attended	Attended
Cr Brett Cunningham	Councillor (Mayor)	Attended	Attended
Cr Owen Sharkey	Councillor	Attended	Attended

Senior Management Team

The Committee has been strongly supported by Council's Senior Management Team (SMT) who attend all Committee meetings when available.

Council's Manager Finance, Manager ICT, Manager People and Performance and Coordinator Governance and Risk attended both meetings during the reporting period to provide detailed updates to the Committee on the applicable activities of their respective divisions within Council. This has enabled the Committee to gain a better appreciation of Golden Plains Shire specific matters.

External Service Providers

The internal audit team (Crowe) and the external audit team (VAGO) have attended both meetings during the reporting period.

Committee Business

The agendas for the Committee meetings are driven by the Committee's Annual Work Plan.

Annual Work Plan

Under Section 54(3) of the Act, a Committee must adopt an annual work program.

Each year the Committee collaborate with Council's Director Corporate Services to establish an Annual Work Plan to ensure that the responsibilities of the Committee are scheduled and will be carried out.

The Annual Work Plan is reviewed in May each year at the same time as the Charter. The work of the Committee over the reporting period is summarised below in each of the key areas:

Financial and Performance Reporting

- Finance reports for Quarter 4 (2023/2024) and Quarter 1 (2024/2025) were reviewed, questioned and noted by the Committee at the August and October 2024 meetings. The quarterly reports assist the Committee to gain assurance on the financial management of Council's operations. Section 138 of the *Local Government Act 1989* requires a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date to be presented to Council at least every three months. These reports are provided to the Committee for noting prior to being presented at the following Council meeting.

3

February 2025

- End of year audit, financial statements and management letter were reviewed, questioned and noted by the Committee at the October 2024 meetings.
- The Local Government Performance Reporting Framework (LGPRF) 6 monthly report was received by the Committee at the August 2024 meeting for the period 1 January 2024 to 31 July 2024. The LGPRF is a mandatory system of performance reporting for all Victorian Councils. It ensures that Councils are measuring and reporting on their performance against 58 measures from a range of service areas, including roads, planning, animal management and waste.

Internal Control Environment

- Council is replacing our core systems, known as the Core System Transformation Program. There are 5 subprojects covering records, customer requests, finance, community safety and property & rates. The Committee reviewed, questioned and noted the progress of the program at the August 2024 Committee meeting.
- The 2024 review of the Business Continuity Plan was reviewed, questioned and noted by the Committee at the August 2024 meeting. The Business Continuity Plan identifies key critical business operations and incident impact levels to be aligned with the GPSC risk framework.

Risk Management

- Risk management and insurance reports for Quarter 4 (2023/2024) and Quarter 1 (2024/2025) were reviewed, questioned and noted by the Committee at the August and October 2024 meetings. These reports provide the Committee with an update on new risks identified, emerging risk events/issues, audits undertaken during the quarter, upcoming audits, and other items of interest to the Committee.
- Safety and wellbeing reports for Quarter 4 (2023/2024) and Quarter 1 (2024/2025) were reviewed, questioned and noted by the Committee in August and October 2024 meetings. The Committee received an update at both meetings regarding incident reporting, claims, current priorities and highlights for the quarter.
- The annual safety and wellbeing report was reviewed, questioned and noted by the Committee at the August 2024 meeting.

Fraud Prevention Systems and Controls

- Detecting instances of fraud and corruption and actions taken were reviewed, questioned and noted by the Committee at the August and October 2024 meetings. No instances of fraud or corruption were reported on during this reporting period.

Internal Audit

- At each meeting, the Committee reviews, questions and notes the progress on Council's internal audit program, which is presented by Council's internal auditor.
 - At the August 2024 meeting, the Committee noted:
 - The progress of the internal audit program; and
 - Publications of Interest for April - June 2024 prepared by the internal auditors, Crowe.
 - At the October 2024 meeting, the Committee noted:
 - The following Memorandums of Audit Planning (MAP):
 - Payroll.
 - Child Safe Standards
 - Capital Works MA and

- Statutory Planning; and
 - The progress of the internal audit program.
- At each meeting, the Committee reviews, questions and notes the updates on outstanding internal and external audit actions. These reports manage and monitor the progress to ensure outstanding actions are completed.

External Audit

- At the August 2024 meeting, the committee reviewed, questioned, noted and approved the Victorian Auditor-General's Office (VAGO) Status Reports for June 2024 and July 2024 with proposed and/or in progress performance audits scheduled for 2024 relating to the Local Government sector include: withdrawal from Commonwealth Games 2026, financial management of local councils, and developing Fishermans Bend.

Compliance Management

- Governance reports for Quarter 4 (2023/2024) and Quarter 1 (2024/2025) were received by the Committee at the August and October 2024 meetings, noting the progress on the Governance Reform and Improvements Program which seeks to encourage improved standards of behaviour, processes, and practices to strengthen governance.
- At the August and October 2024 meetings, the Committee reviewed, questioned and noted publications of interest released during the previous quarters, prepared by Council's internal auditor. The publications of interest identify outcomes for industry audits or reviews which may have the potential to impact Council's financial viability.
- At the August 2024 meeting the Committee reviewed, questioned and noted a report on the Avian Influenza outbreak in Golden Plains Shire.

Reporting to Council

After every Committee meeting, minutes are presented to the next Council meeting. In addition, the Committee Biannual Report will be provided to Council half yearly.